

**REMARKS****A. Interview Summary**

Applicant thanks Examiner Tinkler for the courtesy extended during a telephonic interview conducted on March 31, 2010. During the interview, Applicant's representatives and Examiner discussed the Non-final Office Action issued for this case on March 3, 2010. Specifically, Applicant and Supervisory Examiner discussed the propriety of the Markush group claim form and the Applicant's use of the Markush group form in claims 11, 18, 19, 46, 53 and 54. Applicant's representatives also argued that the 35 U.S.C. § 112 ¶ 2 rejections of claims 28-30 and 63-65 in paragraph 10 of the Office Action were confusing. The Examiner agreed and agreed to withdraw these rejections. Finally, Applicant discussed the Office Action's continued failure to set forth a prima facie case of obviousness alleging that claims 1-32 and 36-68 under are obvious under 35 U.S.C. § 103(a) over Lange in view of Melkomian. Examiner agreed to address each and every limitation in the next office action.

**B. Status of the Claims**

Prior to the submission of this paper, claims 1-32 and 36-68 were pending and under examination.

Claims 11, 18, 19, 47, 53 and 54 are rejected under 35 U.S.C. § 112, ¶ 1 for allegedly failing to meet the enablement requirement.

Claims 11, 18, 19, 47, 53 and 54 are rejected under 35 U.S.C. § 112, ¶ 2, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 23-32 and 58-67 are rejected under 35 U.S.C. 112, ¶ 2, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claims 28-30 and 63-65 are rejected under 35 U.S.C. § 112, ¶ 2, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. These rejections were withdrawn by the Examiner during the telephonic interview conducted on March 31, 2010.

Claims 1-32 and 36-68 are rejected under 35 U.S.C. §103(a) as allegedly obvious over Lange in view of Melkomian.

C. Claim Amendments

Claims 23 and 58 have been amended to incorporate changes suggested by the Examiner Tinkler to overcome the rejections under 35 U.S.C. § 112 ¶ 2 regarding whether "optioncode" corresponds to the antecedent "a single optioncode" in those claims.

D. Indefiniteness and Enablement Rejections Under 35 U.S.C. §112, ¶¶ 1 and 2

The Examiner again rejects claims 11, 18, 19, 47<sup>1</sup>, 53 and 54 for using Markush group claim language. In doing so, the Examiner continues to ignore well-established Markush claim format without citing any authority or providing any justification for doing so.

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<sup>1</sup> As noted in Applicant's October 30, 2009 Response, a review of claims 46 and 47, reveals that claim 46 uses Markush-style claim language, but claim 47 does not. Both the June 10, 2009 non-final Office Action issued and the March 3, 2010 non-final Office Action this identifies claim 47 as rejected for using such language. Applicant reiterates its prior respectful submission that the Examiner erroneously identified claim 47 instead of claim 46.

As in its October 30, 2009 Response, Applicant will address this rejection as though it identifies claim 46 instead of claim 47.

Specifically, the Office Action rejects claims 11, 18, 19, 47, 53 and 54 for allegedly failing to meet the enablement requirement of 35 U.S.C. §112, ¶ 1. According to the Office Action,

The amendments to these claims consist of the following terminology: 'the option spread is at least one selected from the group consisting of'. This terminology implies that there is a group or selection process that lists all selections within a group and allows the user to pick from said selection. The Examiner has found no such evidence in the specification.”.

[Office Action, pages 4-5, ¶6]. Similarly, the Office Action rejects claims 11, 18, 19, 47, 53 and 54 under 35 U.S.C. § 112 ¶ 2 for allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Applicant regards as the invention. According to the Office Action,

The amendments to these claims consist of the following terminology: 'the option spread is at least one selected from the group consisting of. This terminology implies that there is a group or selection process that lists all selections within a group and allows the user to pick from said selection. The Examiner has found no such evidence in the specification.

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Claims 11, 18, 19, 47, 53 and 52 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01 The omitted steps are: who or what are performing the "selecting" within the method claims.

[Office Action, page 5, ¶ 8, page 7, ¶ 11].

Applicant traverses these rejections. These statements by the Examiner appear to reflect a continued misunderstanding of Markush group claim language, despite the fact that Applicant directed the Examiner to pertinent sections of the MPEP demonstrating the propriety of using Markush-style claims in Applicant's October 30, 2009 Response. For the convenience of the Examiner, Applicant has reproduced below some relevant excerpts from the MPEP for the Examiner's convenience:

**2173.05(h) Alternative Limitations****I. MARKUSH GROUPS**

Alternative expressions are permitted if they present no uncertainty or ambiguity with respect to the question of scope or clarity of the claims. One acceptable form of alternative expression, which is commonly referred to as a Markush group, recites members as being "selected from the group consisting of A, B and C." See *Ex parte Markush*, 1925 C.D. 126 (Comm'r Pat. 1925).

*Ex parte Markush* sanctions claiming a genus expressed as a group consisting of certain specified materials. Inventions in metallurgy, refractories, ceramics, pharmacy, pharmacology and biology are most frequently claimed under the Markush formula but purely mechanical features or process steps may also be claimed by using the Markush style of claiming. See *Ex parte Head*, 214 USPQ 551 (Bd. App. 1981); *In re Gaubert*, 524 F.2d 1222, 187 USPQ 664 (CCPA 1975); and *In re Harnisch*, 631 F.2d 716, 206 USPQ 300 (CCPA 1980). It is improper to use the term "comprising" instead of "consisting of." *Ex parte Dotter*, 12 USPQ 382 (Bd. App. 1931).

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When materials recited in a claim are so related as to constitute a proper Markush group, they may be recited in the conventional manner, or alternatively. For example, if "wherein R is a material selected from the group consisting of A, B, C and D" is a proper limitation, then "wherein R is A, B, C or D" shall also be considered proper.

MPEP § 2173.05(h) (underlining added); MPEP §§ 803.02; *see also* October 30, 2009 Response.

As can be seen by the foregoing excerpts, the phrasing "selected from the group consisting of" is well-established, acceptable claim language according to the MPEP and can be used by an applicant to define a genus. These excerpts also indicate that Markush group language is well grounded in the case law of the Court of Appeals for the Federal Circuit. Furthermore, the groups in the present Markush-style claims are fully supported by the specification, as the members of each of the groups appear in the specification. [See page 15 line 17 through page 21 line 17 (claims 11, 19, 46 and 54) and page 9 lines 19-21 (claims 18 and 53).] Accordingly, Applicant respectfully maintain that the rejections of the claims under 35 U.S.C. ¶¶ 1 and 2 are improper and requests reconsideration and withdrawal of these grounds of rejection.

E. Rejections Under 35 U.S.C. §103

Applicant respectfully traverses the rejection of Claims 1-32 and 36-68 under 35 U.S.C. §103 as allegedly obvious over Lange in view of Melkomian. [Office Action, pages 7-10, ¶¶ 12-28.] As an initial matter, as per the November 9, 2009 Interview Summary from the Office, “[i]t was agreed that the Lange reference fails to disclose at least a first option comprising an optioncode and a second option comprising an optioncode.” The Office Action fails to show that Melkomian teaches a first option comprising an optioncode and a second option comprising an optioncode. Briefly put, the combination of Lange and Melkomian fails to disclose all of the features of the claimed invention. Accordingly, the rejection should be withdrawn.

The Office Action’s analysis of Lange and Melkomian is limited to the following statements:

14. Regarding claims 1,11,12,19,20,23,36,46,47,54,55 and 58, Lange discloses: offering a digital option spread in paragraph 797; that option selling is common place and well known in the art in paragraph 803; determining the type of option spread based on comparing a first option spread to a second option spread (that defines a combination of buy/sell indicators) in paragraph 783; the use of computer program code in paragraph 319 and 320.

15. While, Lange discloses the use of an "exchange" in paragraphs [0035]-[0036], [0040] and [0043] among other places. Lange does not disclose the use of the New York Mercantile Exchange, as disclosed in the specification of this application. The New York Mercantile Exchange assigns an "option code" to an options. The Examiner has added the Melkomian et al. (US PG Pub. 2002/0128952) reference which explicitly states the use of options and options spreads within the New York Mercantile Exchange. Therefore, as described by the Applicant's specification, 'said options' are given optioncodes by said exchange. Additionally, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to include the use of "optioncodes" within the Lange reference because it would allow the user to identify the options available to be traded.

Notably, like the Examiner's prior rejections, the foregoing rejection is facially deficient. The inclusion of Melkomian in the present Office Action appears to be narrowly focused on addressing the issue of providing for an "option code." However, the rejection as a whole still fails to show that each and every element of the pending claims is taught or suggested in the combination of Lange and Melkomian, as required for maintaining a proper rejection under 35 U.S.C. §103(a).<sup>2</sup> See, e.g., In re Royka, 490 F.2d 981, 985 (CCPA 1974) (stating that obviousness requires a suggestion of all limitations in a claim). By way of example, the Office Action fails to show that any of steps (a) - (h) of claim 1 are taught or suggested by the combination.<sup>3</sup> The Office Action also fails to show that the individual process steps recited in independent claims 12, 20, 47 or 55 are taught or suggested. Furthermore, while the Office Action rejects independent claim 23 and 58 for being obvious over Lange in view of Melkomian, it does not provide any basis for the rejection.

The PTO bears the initial burden of presenting a prima facie case of unpatentability during prosecution. In re Glaug, 283 F.3d 1335, 1338 (citing In re Oetiker, 977 F.2d 1443, 1445, 24 U.S.P.Q.2D (BNA) 1443, 1444 (Fed. Cir. 1992)). If the PTO fails to meet this burden, then the applicant is entitled to a patent. *Id.* In both the prior and present office actions, the PTO has failed to establish a prima facie case of unpatentability by failing to address each and every claim element, as required for rejections under 35 U.S.C. §§102 and 103.

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<sup>2</sup> In the October 30, 2009 Response to the June 10, 2009 Office Action, the Applicant informed the Examiner that the Office Action was facially deficient for failing to show that each and every element of the pending independent claims in a the same manner repeated in the present Office Action. Nonetheless, despite the striking similarities between the rejections, the Examiner still fails to address all of the limitations of all of the independent claims.

<sup>3</sup> The Office Action attempts to address step (h) of claim 1 by stating that Lange discloses "determining the type of option spread based on comparing a first option spread to a second option spread." However, as discussed below, the Office Action's analysis is based upon a mischaracterization of Lange and therefore fails to show that Lange discloses step (h) of claim 1.

Applicant therefore maintains that they are entitled to a patent, unless the PTO can present a prima facie case of unpatentability.

The Office Action's lack of analysis also directly contravenes the requirements of 37 C.F.R. §1.104 that "the particular part [of a reference] relied on must be designated as nearly as practicable" and that the "[t]he examiner's action [should] be complete as to all matters". See 37 C.F.R. §§1.104(b) and (c)(2). Similarly, the Office Action fails to explain how a reference to the New York Mercantile Exchange discloses a first option comprising an optioncode and a second option comprising an optioncode, and does not identify the particular part of Melkomian the examiner relies on. For at least these reasons, the pending rejection under 35 U.S.C. §103 is improper and should be withdrawn.

Furthermore, notwithstanding the Office Action's assertions to the contrary, the combination of Lange and Melkomian does not disclose the presently claimed invention. Nowhere does either reference disclose "a method of determining a type of option spread" as recited in independent claims 1, 12, 20, 23, 36, 47, 55 and 58. Moreover, the Office Action's reiterated reliance on selected passages of Lange is unavailing, because the cited passages do not disclose the claimed invention. For instance, ¶[0797] of Lange, which was cited by the Office Action for purportedly "offering a digital option spread", does not disclose the claimed "method of determining a type of option spread" recited in Applicant's claims. Instead, ¶[0797] is concerned with the trade of digital option spreads:

In a preferred embodiment, a digital option spread trade may be offered to investors which simultaneously execute a buy and a "sell" (in the synthetic or replicated sense of the term, as described below) of a digital call or put option. An investment in such a spread would have the same payout should the underlying outcome expire at any value between the lower and upper strike prices in the spread. If the spread covers one state, then the investment is comparable to an investment in a DBAR contingent claim for that

one state. If the spread covers more than one constituent state, in a preferred embodiment the investment is allocated using the multistate investment method previously described so that, regardless of which state occurs among the states included in the spread trade, the investor receives the same payout. [Lange, ¶[0797]].

Similarly, the Office Action's reliance on ¶[0803] of Lange is misplaced. Even if ¶[0803] were to report that "option selling is common place and well known in the art", as the Office Action contends, such a disclosure would be beside the point and would not anticipate the claimed "method of determining a type of option spread" recited in Applicant's claims. A review of ¶[0803] confirms that it is limited to convention methods of buying and selling options, and does not disclose Applicant's claimed invention.

The Office Action's reliance on ¶[0783] of Lange is also misplaced. Paragraph [0783] of Lange reports that one may create a derivatives market to trade digital option spreads. According to Lange,

[t]he methods and systems of the present invention can be used to create a derivatives market for digital options spreads. In other words, each investment in a state of a mutually exclusive and collectively exhaustive set of states of a group of DBAR contingent claims can be considered to correspond to either a digital call spread or a digital put spread. Since digital spreads can readily and accurately be used to replicate digital options, and since digital options are known, traded and processed in the existing markets, DBAR methods can therefore be represented effectively as a market for digital options--that is, a DBAR digital options market. [Lange, ¶[0783] (emphasis added)]

However, the reference to the creation of derivatives markets for digital option spreads in this passage in Lange does not anticipate the claimed "method of determining a type of option spread" recited in Applicant's claims, because the passage does not disclose any of the steps recited in Applicant's independent claims.

For all of these reasons, Applicant respectfully maintains that the combination of Lange and Melkomian does not anticipate independent claims 1, 12, 20, 23, 36, 47, 55 and 58. Accordingly, Applicant respectfully requests reconsideration and withdrawal of the claim rejections under 35 U.S.C. §103(a).

**CONCLUSION**

Based on the foregoing amendments and remarks, Applicant respectfully requests reconsideration and withdrawal of the rejection of claims and allowance of this application.

**AUTHORIZATION**

The Commissioner is hereby authorized to charge any additional fees which may be required for consideration of this Amendment to Deposit Account No. 50-3732, Order No. 16908-105002.

In the event that an extension of time is required, or which may be required in addition to that requested in a petition for an extension of time, the Commissioner is requested to grant a petition for that extension of time which is required to make this response timely and is hereby authorized to charge any fee for such an extension of time or credit any overpayment for an extension of time to Deposit Account No. 50-3732, Order No. 16908-105002.

Respectfully submitted,  
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